

CAPITALISM MUST DISTRIBUTE GOODS—

DUTY PLAIN TO CONTINUE WORK ONCE STARTED

Production Solved — Sweeping Study of Technology And Reforms it Requires Outlined In

Stuart Chase's Theme

Capitalism has fulfilled its function of production of goods. It must now go on and complete its duty by fulfilling its function of distribution of goods on a basis of abundance.

That is the theme of Stuart Chase, famous writer on economics, in a powerful article, "The National," which is published below. The article, "The Age of Distribution," appeared in "The Nation."

To fulfill its function of distribution, Chase predicts, here are the things that capitalism must and will do:

- 1—It will contain many elements broadly called socialistic.
- 2—It may win the allegiance of many socialists, now vaguely disturbed by their own lack of progress.
- 3—It will be strongly collectivist; it will nationalize certain key industries.
- 4—It will work out a method of non-interest-bearing public credit.
- 5—It will largely displace the profit motive — not for ethical reason but to move the goods.
- 6—A vast extension in the public works sector appears to be inevitable.

"The general objective will be the distribution of the surplus, rather than a wrangling over the ownership of a productive plant which has lost its scarcity position."

"What devils the new philosophy may have to face I do not know—fascism is obviously one—but the head devil will not be traditional capitalism."

The keynote of Chase's article is this: "For all practical purposes the problem of distribution is solved. The plant has lost its scarcity status, as witnessed by surpluses and excess capacity, a condition, which was becoming ominous long before the depression."

He visualizes factories running at part time, workmen laid off by the millions; while at the other end, consumers cannot secure the goods which the factories produce.

The net result has been a tremendous washing out of wealth, approximate ratio this drop would be from:

441 billions in 1929 down to 256 billions in 1932.

He does not give the figures for Canada, but on the same approximate ratio this drop would be from:

31 billions in 1929 down to 20 billions in 1932.

Capitalism must restore this wealth by putting it to work, says Chase. He is not satisfied with Socialism, Fascism or Douglas Credit. The process must be experimental, he concludes.

"The formulation of a clean-cut philosophy and a social program for the age of distribution is coming."

Chase dismisses the common leveling process tenderly in these words:

"A dogmatic insistence that nothing can be accomplished until the profit system is officially abolished and the state is captured by the proletariat, loses point in a surplus economy."

Stuart Chase's article applies so closely to the problems of all Canada as well as to United States that we here reproduce it in full:

'The Age of Distribution'

By STUART CHASE

My "Economy of Abundance" is what Mr. John Stacker took such gentlemanly but profound exception to in the Nation for May 8, 1934. I have new social conceptions made necessary by new physical and technological conditions. In the argument, orthodox socialism and communism, as well as capitalism, individualism and various other isms, were brought under critical review. Where the facts seemed to lead, I tried to follow, irrespective of what halloved cathedral of doctrine were damaged.

The new physical conditions and facts are reasonably apparent, and have repeatedly been called to our attention. There is no need to go into them at length here. They include:

- 1—An expanding curve of investment.
- 2—A vast per-capita increase in the consumption of inanimate energy.
- 3—An industrial and agricultural plant far in excess of primary market demand.
- 4—A steady increase in output per man hour, resulting in a surplus of labor and technological unemployment.
- 5—Specialization of economic activity to the point where it now constitutes one interdependent network.
- 6—Population growing at a decreasing rate.
- 7—Antagonism and the resulting decline of foreign trade.

With these facts firmly in mind, let us approach the concept "Nationalism." What is it? I should define it as the private ownership of the means of production, and, by virtue of such ownership, the flow of free income to the form of profits, interest, rents and royalties.

MORE PRODUCTION
After deducting living expenses, including certain outlays for conspicuous consumption, the pleasure and the duty of the capitalists has been to invest the balance in more means of production, the income from which, after deduction, is further reinvested, ad infinitum. This stuporous rhythm of compounded individualism has been pleasurable to capitalists, but it has come to provide the balance wheel of the whole system. The prompt investment of the free in-

The Future Of Capitalism

Does man's mastery of production mean the end of capitalism as we have known it?

Has capitalism fulfilled its function?

What is your idea of money's future?

What can you invest funds in today and feel secure?

Since 1929 capital assets in U.S. have shrunk from 441 billions to 256 billions.

Does this mean that capital as we have known it is doomed to extinction?

Capitalism is not distributing the goods which technology produces. Will the community be compelled to do this? If so, how soon?

These and many similar questions Stuart Chase asks, and answers, in this article, that commands the attention of every man, woman and youth who concerns themselves with the changed world we are entering. Read it for your own enlightenment, and discuss it with your friends.

The Kreygers, the Insalls, the Wiggins and the Michellios—does their end mean the approach of a social crisis?

Bales, subsidies, public works, controlled prices, all in an attempt—all these social minders move circumspectly. They are methods of distributing goods without profit.

How far will they go before capital is entirely discarded?

Some have provided wages and salaries for workers in durable-goods industries, with which income these workers have cleared the shelves of the consumers' goods produced in the same period.

AGAIN REINVESTED.

Equilibrium came to depend on compounding reinvestment in a compounding durable-goods sector, which distributed compounding purchasing power, with which a compounding volume of consumers' goods was cleared at a profit, which was once more reinvested. Accounting, insurance, actuarial

and banking practice are all predicted on this rhythm. Capitalism by its name connotes the investment and safe-guarding of capital, or the profitable accumulation of the means of production. It is a method harsh but pragmatic for building up a productive plant; for "reviving" a given economic area. It belongs to an age where the problems of production are paramount.

But what of the time when the area should be at last "developed," when the means of production should no longer be at a premium as a vehicle for profitable investment; when the exquisite mathematics of the compounding process should run clear off the map of physical realities?

SCARCITY STATUS GONE?

Capitalists have been too busy ever to answer these questions.

Even today, with the compounding process seriously crippled, most capitalists prefer a myopic nostalgia for 1929 to any frank facing of their own formula.

Yet for all practical purposes, the problem of production is solved. The plant has lost its scarcity status, as witnessed by surpluses and excess capacity, a condition which was becoming ominous long before the depression.

Further increases in the means of production are discouraged, owing to the poor prospects of realizable profits. Beyond the sorry state of the durable-goods industries today, the huge surplus of idle capital in the banks.

But without an increase—duty compounded—in the means of production, durable-goods workers remain on streets, their purchasing power all but gone. This

so depresses the total volume of purchasing power that profits and free income are, for the system as a whole, inadequate to validate the values set on the present means of production.

100 BILLION SLUMP?

According to R. H. Donner, capital assets valued at \$441,000,000,000 for the whole nation in 1929 dropped to \$256,000,000,000 in 1932. The decline of nearly two hundred billion registers an appalling shrinkage in the ability to validate.

With no sufficient means under the canvas of "sound money" to extend markets and purchasing power, the system comes to a halt, the majestic rhythm stops. Presently it goes below the line into disintegration, as we have observed it for the past five years, both here and abroad.

Capitalism cannot stand still with-

out disaster. It must move forward to keep its equilibrium—like the Red Queen.

The simple conclusion seems to be that capitalism has fulfilled its function, the plant has been built to the limit of the sound-money frame-work, and the flow of free income is seriously jeopardized.

DISTRIBUTION FIRST

Whether that body of enterprising individuals constituting the "control" (see Berle and Means) of this disintegrating system are also departing is another question. Some, like Kreyger, Insall, Wiggins and Mitchell, have gone; others may or may not follow. We shall return to them presently.

Consciously or unconsciously, economic thinking and economic action are now oriented towards distribution. The consumer is creeping in the center of the stage.

Ways and means to furnish him with purchasing power from the outstanding problem of current state-ship.

Dole, ministers, civil works, public works, controlled prices, pegged minimum wages are all aimed pragmatically, if without much theoretical blessing, at mass distribution, a distribution which by-passes the rigid formula of capitalism. The fact of the by-passing is amply evidenced by the pitiful waste resulting from the sound-money camp.

Aids to distribution have taken two general forms:

1—The artificial stimulation of purchasing power through government spending.

2—The rationing of surplus products—like wheat, meat, potatoes—direct to the needy consumer.

All Western nations are threatening their budget balances with one

or the other of these devices. We see both in the United States, and the general opinion seems to be that we must use them for more freely John Maynard Keynes recently advised the President that four hundred million, rather than the present one hundred million a month, was essential if the economic machine was to continue to operate.

These diets, drablets of relief, and hardly dignified with the title of "a distributive act," may clearly mark the beginning of such an age as Watt's steamy old steam engine marked the beginning of the age of quantity production.

If private business cannot distribute the surplus, the community must. The community is proceeding to do so, with comparatively little regard for budget balancing. Con-

tinued on Page 8, Col. 4

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
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difficult. Why burden
with colossal administra-
tion, lacking, as it does, the warm
arms of faith and doctrine. Given

ns if ownership is not a consideration? Why regulating if goods must flow out? The important matter

"The Economy of Abundance" was an attempt objectively to describe the forces at work. To act intelligently, one must first understand.

SOCIAL PROGRAM COMING Few people seem to sense the extent of the pressures which applied science has let loose; even fewer the

concept of the technological imperative. The latter pointed a path; if my description was adequate, a line of action was indicated. Certain

plains in a program could even be laid down. But I built no complete program, because I did not know enough.

the energy industries and electric power—in the U.S. The basic question to what method promises to make and distribute the

It was to the understanding of that group that my book was addressed. Spade work if you please, but without spade work you have no house.

Apple Men Give
Markets Board

OTTAWA, Aug. 13.—Three offi-

On the claims are not
ated for the system as a
the capitalists are clear-
ly away—to the extent
hundred billion dollars
of the apple growers of British
Columbia are in Ottawa prepared to
take up with the new marketing
board their scheme to regulate the
market for apples in Canada. They
signed to co-operative Win-
Society, Eastwood and So-
Brown and Company, all of
head, England, W. E. Cull, a
Kankakee, Illinois, and

OF MARKETS

Motorcycle Hits Auto, One

new board, composed as it is of departmental officials already familiar with our needs."

**Hopes Gone For
Manitoba Boys
Feared Drowned**

GRAND BEACH, Man, Aug. 13—Two teen-aged boys are missing, believed drowned, when they attempt-

ed to ford a channel by negotiating a sandbank across the lake. Those missing are Victor Edwards and Walter Downie, both of Winnipeg.

The youths are believed to have got out of their depth in the swift current which runs through the 100-foot channel. A party will be organized to search for the missing car.

**Worrell's Body
Lies In State**

HALIFAX, Aug. 13.—The body of the late Archbishop C. L. Worrell, primate of the Church of England in Canada, will lie in state, this

NEW YORK, Aug. 13.—Aug. Thomas, dean of American wrights, died of a stroke of plexy at the suburban Clarke

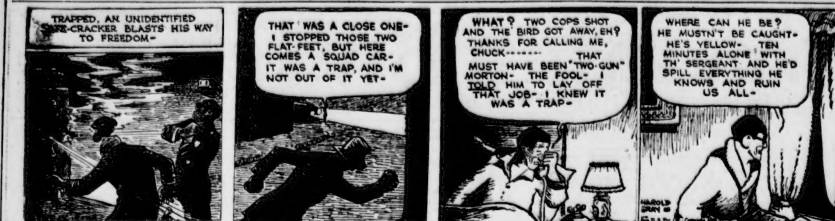
Country Club Sunday. He was a member of the club and had been in failing health the past three years.

.....

LITTLE ORPHAN ANNE

A Criminal at Large

—By Gray



WINNIE WINKLE, THE BREADWINNER:

"Led" Astray

By Branner



THE GUMPS

Which Explains All

—By Smith



BOOTS AND HER BUDDIES

Seeing Things!

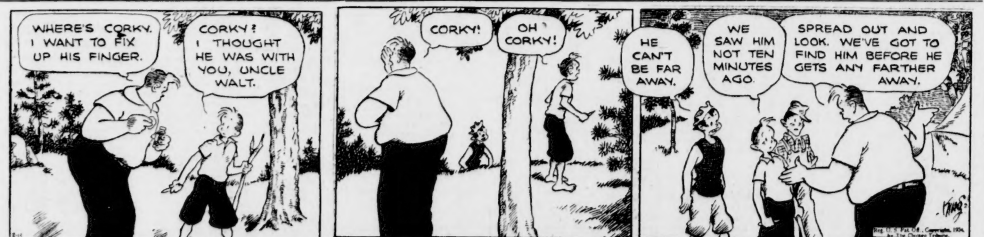
—By Martin



GASOLINE ALLEY

Out Goes the Drag Net

—By King



FRECKLES AND HIS FRIENDS

The Alarm!

—By Blosser



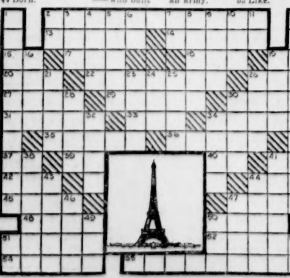
ALLEY OOP

Back on His Feet!

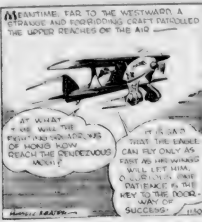
—By Hamilton



Architectural Wonder



—By Lt. Dick Calkins

[illegible]

100

By Godwin

— BY ELENORE MEHERIN

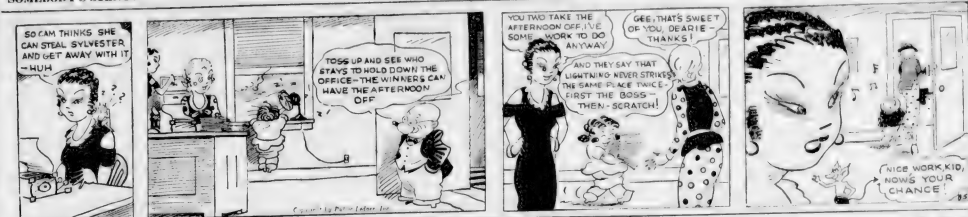
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The Secret Latch



By Hayward

Sharpening Her Claws



By Small

A Big Little Case



By Willard

It Pays to be Safe



By William

OUT OUR WAY



1. Auer, R. (1996) *Journal of Management* 22, 655-677.

[illegible]

545



2. *Staphylococcus aureus* (10⁷ c.f.u./g)

Sunnysayings
By Fanny Y. Cory



Could ya do a little better.
Baby, even loathly's tryin' t' git a
nap today We ought t' git libe
or even ten cents t' go way and
be still

KINGMEN ENTER FINALS AGAINST SHASTA SQUAD

South Stars Eliminate Cubs With 8-6 Victory Sunday After Royals Win Over Shastas Saturday Night 7-1

By BILL LEWIS

When the tall and lanky South Stars of Anaheim succeeded in their task of whipping Cubs 8-6 yesterday, Webb Kinga was crowned second-half champions of the San Francisco Bay Area Hockey League.

The right to meet Shastan in a four-out-of-seven series for the city title.

Defeat Sunday stamped out the lingering spark of hope the E.C. Tritonites had of reaching the playoffs. They needed one win to stay in the fight and the Stars won it easily.

Kinga came up himself in a strong position Saturday night when they whipped Shastas by 7-1 to bolster their lead.

The Stars and the South Side triumphed at the top of this clinching tie for them.

FIRE EXHIBITION

BOX SCORES

SATURDAY'S GAME

ROYALS

	R	P	A	E
Groat, cf	0	0	0	0
Williams, lf	5	0	0	0
Hodges, ss	5	0	0	0
McGee, c	0	0	0	0
Johnson, rf	0	0	0	0
Baker, 3b	0	0	0	0
Shaw, r	1	0	0	0
Kennedy, lf	4	1	1	0
Blanchard, 2b	2	2	0	0
Totals	27	7	9	0

SHASTAS

	R	P	A	E
Kerr, cf	4	0	0	0
Albright, lf	0	0	0	0
Attie, 3b	0	0	0	0
Johnson, rf	0	0	0	0
Dwyer, 2b	0	0	0	0
McGee, c	0	0	0	0
Knudsen, 1b	4	0	0	0
Totals	4	0	0	0

the exhibition of the partime big
Cubs might still have been in
the race had they played anything
that resembled decent baseball. In-
stead, they played the worst ball
not for their worst performance
of the year, committing no fewer
than nine glaring errors in what
was a 100-0 summer home run

Totals	24	3	7	27	11	7
Score by innings:						
Royals.....	040	20	010	7	0	0
Braves.....	000	000	001	1	0	0

SUMMARY

Stolen bases, Shandro, 2; Sellers: two
base hits; Lee, Guidotti; first base on
error, Croft; 1st base on ball, off Lee, 5;
1st base on error, Croft; 1st base on
error, Croft; 1st base on error, Croft;
by Bidgood 3; left on bases, Royals 7;
Shandro 8, earned runs, Royals 2; time
of game, 1:50.

...during the game they held their lead over the Athletics but, on several occasions came under fire from the hotly misuses that allowed their opponents to tie up the score. The Athletics did not let the use of any one particular player "show off" but almost every member of the team had a chance to shine and just couldn't do things right at the top. Pitcher Gene Wilkie was tagged with a 10-0 record but which didn't help the cause any.

PUBLIC HURLS WELT

...Herman Loblick, on the other end, pitching for South Stars.

SUNDAY'S GAME		SOUTH SIDE			
	AB	R	PO	A	
Green, 2b	5	1	1	4	0
Moen, cf	5	2	3	1	0
Ward, 1b	5	1	1	1	0
Henderson, c	5	0	1	3	1
Ward, 1b	5	1	1	1	0
Aicher, rf	4	1	0	1	0
Paul, lf	4	1	0	1	0
Hambly, 1b	5	0	0	14	0
Paul, lf	4	1	0	1	0
Totals	41	8	13	37	1

CUBS					
	AB	R	PO	A	
McLough, cf	5	1	1	4	2
DeLigzag, 3b	5	1	1	5	4
Ward, 1b	5	2	2	12	0
Robinson, c	5	1	2	12	0

[illegible]

netted nine safe blows, and was hit six times by Murray and the Royals. He never lost a game. Crutched out of the game and drove home three of his seven runs.

After a long sitting in the second inning save the Kingdon four runs, he was hit by the fourth and then finished off with three in the eighth. Shastad lost the game.

Jimmy Lee was master of the situation all the way to the top. The pitcher was not hit often and he scattered the seven hits he

HERE TUESDAY

Playoff for the championship of the Senior Baseball league will be held at the Municipal stadium, between Shastad and Renfro, will commence Monday, at 6:15 o'clock. The game will be over in 15 minutes due to earlier twilight.

Winners of the two halves of the split schedule, the two teams will play a four-out-of-seven game series.

erry Sillars starts at bat for the losing side with three hits in four at bats.

...went through a stiff workout. Announcement as to the decision reached by the council will be made in a few days, according to R. G. Stevenson,

GIUMPHS 10-METRE ROUTE

...tain set the pace for the first 100 metres of the feature race, but in Lovelock stepped up to the front, and in the final 100 metres of the 100-metre race, Lovelock did not match the New Zealanders. In the 100-metre race, Lovelock was comfortable in 3:38-min.

In the 200-metre race, Lovelock had defeated Beaton in the 100-metre race, but in the 200-metre race, Lovelock was not as comfortable as in the 100-metre race. Lovelock was not as comfortable as in the 100-metre race.

...of 4:07.5 for the mile. The New Zealanders were in the lead in the 100-metre race, but in the 200-metre race, Lovelock was not as comfortable as in the 100-metre race.

...years met between the combined forces of the United States and Canada and Cornell and Princeton

